

**MEETING MINUTES**  
Finance Committee  
Tuesday, February 15, 2011

**CALL TO ORDER**

Time – 7:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Mary O'Donoghue, Cindy Milne, Mark Merritt, S. Jon Stumpf, Richard T. Howe, Paul Fortier, Peggy Kruse and Greg Rigby.

Also present: Selectman Alex Vispoli

**COMMUNICATIONS**

Chairman Marden reported that, in speaking with the Town Manager, the Town has maintained an AAA rating along with a very good interest rate.

**WORK SESSION FOR BUDGET REVIEWS**

Chairman Marden noted this meeting was called due to the Committee's frustration with the current budget process. The following questions were discussed:

- 1) What is expected of Department Heads?
- 2) What kind of process is needed to provide a balanced budget?
- 3) What is a reasonable starting point?

All agreed the starting point should be for departments to stay within available revenues for this year's budget. There was lengthy discussion concerning wage increases as well as additional positions. It was noted that these increases have been built into the School's budget, making it difficult to level fund. Mr. Stumpf stressed the importance of departments to accurately report future personnel expenses. All agreed and additionally, requested more detailed information on COLA's and Step and Track raises. Some Committee members thought this information would be helpful in demonstrating to residents that these items are not affordable. Chairman Marden suggested negotiating a better Health Insurance rate as another option for savings.

There was a lengthy discussion regarding transparency with regard to contract negotiations. While some members felt that residents should know funding elements in each union contract before voting at Town Meeting, others expressed caution with interfering in the collective bargaining process. All agreed that while it may not be possible to change the budget process, disclosure of costs per department can be accomplished.

Committee members questioned what result would occur if COLAs were not included in the budget. Discussion followed. Committee members asked if there was a mechanism to use in order to put funds away if contracts are not settled. Chairman Marden stated that she did not believe contracts should be voted on at Town Meeting. Others disagreed. It was noted the Compensation Fund was currently used to fund contracts. However, some questioned this approach at this time.

Chairman Marden suggested to committee members that they could request a detailed up-to-date expenditure report from the Accounting Office for their Department Head budget meetings. All agreed the Committee should ask the Town Accountant for a comprehensive report including all departments. Chairman Marden distributed a memo titled Andover's FY2007 Budget Review Process to aid Committee members for preparing Department budget reviews.

There was a brief discussion on the CIP's request for \$700,000 the following year. All agreed that they cannot justify that number.

In conclusion, the Finance Committee agreed to ask Department Heads how they plan on getting to available funding. In addition, to have them explain and account for personnel changes.

**ADJOURNMENT – 10:00 P.M.**

Respectfully Submitted,  
*Carolyn Lynch*  
Recording Secretary